



**P R I M E
M I N I S T E R**

**KEYNOTE ADDRESS BY HIS EXCELLENCY THE PRIME MINISTER OF THE
DEMOCRATIC REPUBLIC OF TIMOR-LESTE
KAY RALA XANANA GUSMÃO
ON THE OCCASION OF THE OPENING SESSION OF THE PACIFIC ISLANDS
DEVELOPMENT FORUM**

“Leadership, Innovation and Partnership for Green / Blue Pacific Economies”

**Nadi, Fiji
5 August 2013**

Your Excellency Commodore Bainimarama, Prime Minister of Fiji
Distinguished Delegates

Ladies and Gentlemen,

It is a great honour for me to take part in this opening session of the Pacific Islands Development Forum. This is my third visit to this beautiful country.

First and foremost, I must congratulate the government of Fiji for hosting this important event, to work towards a prosperous future for the Pacific region through a “green economy”. I must also thank Your Excellency, Prime Minister, for the warm reception given to me and to my delegation by the Government and the people of Fiji.

This is an important occasion for Timor-Leste to more actively engage with the Pacific Islands, with whom we share so many common fragilities and challenges, but also many opportunities.

Therefore, I thank His Excellency the Prime Minister for inviting me to deliver the key note address at this meeting that aims to develop a safer and more optimistic roadmap for the peoples of the Pacific, for our peoples.

It was not long ago that Pacific Islands gave invaluable solidarity and support to Timor-Leste as the cinders of a quarter of century of illegal occupation were extinguishing. Following our Referendum of 1999, we were once again the victim of violence and destruction and we lost many lives and our infrastructure was destroyed. This almost crushed the hopes of our people, who were already weary from the sacrifices they had made to achieve peace, freedom and independence.

Yet today, we are proud to say that our People, and our Nation, are growing strongly.

We also know, perhaps better than anyone, the importance of not being isolated in searching for solutions to overcome fragility and address the challenges that a country faces in its building process.

Coming from a post-conflict situation with widespread poverty and very limited resources, we lacked governance experience and had no institutions of State. We had no human or financial resources and no infrastructure or capacity to build. We had no laws and yet we had to learn how to live in a democracy. All of this placed us at a terrible crossroad where there was no quick and guaranteed way to respond to the many needs of our people who were suffering and who demanded – and deserved – to have their needs met.

Additionally, from the moment we were “born” we – as the youngest member of the Community of Nations – had to absorb democratic values and their universal principles, which were conveyed to us by others without having being given the time to digest them.

This resulted in a cycle of crisis, which led to the unrest of 2006 that came to its climax in 2008.

Once again we smelt fire, we saw blood spilt on the ground of our homeland and we reignited hatred, vengeance and violence. This all provoked a break of trust in the still fragile institutions of our State. It also led international experts to rush to the conclusion that Timor-Leste was choosing the way to a failed State.

Your Excellencies
Ladies and Gentlemen,

This is not a history exclusive to Timor-Leste.

We share common circumstances – post-colonialism, fragility and poverty – with many nations of the world, called Least Developed Countries or LCDs, and also with some Pacific nations, some of which are represented here today.

What our experience taught us is that it is not possible to achieve development or assume democratic principles without first building our own identity and determining for ourselves the path we wanted to take.

Every nation has its own context, its own history, and its own culture. Each independence was achieved in a unique form and each development process has its own reality and its own internal factors.

The international community, many times in a hurry to give its generous support but nearly always divided in its approaches that do not respond to the true needs of the aid recipient countries, must not, and cannot, substitute the leadership of a country as it belongs exclusively to its people.

It was in this context that Timor-Leste, the people and society, continuously remind the leaders of the country that those who offered their sacrifices to achieve independence are the ones who are yet to enjoy the benefits of freedom. And, when we analyse our own circumstances, we see that a leadership, that heeds the sentiments and knows the difficulties, of the people, is more capable of guaranteeing the stability and development of a nation. Only when these internal factors are able to determine the specific processes for each country, is it possible to have a sense of belonging or ownership and the need to hold the leadership over decision-making.

As such, we imposed on ourselves and our institutions of the State a political will to cooperate in the search for solutions, or else we would have faced a lack of political discernment in facing and resolving crisis.

Knowing that true freedom does not exist if a people do not hold on to it through democratic means, we learnt also that true development does not exist if it is not a product of the effort of the society itself.

And we embraced our ancestral traditions of conciliating our differences through dialogue. We have rolled out the mat that we call “*nahe bitl*”, with the participation of the entire community, and we involved every Timorese citizen in the resolution of our problems, creating true **partnerships** towards the common goal of peace and development.

The permanent and genuine dialogue and cooperation between all Sovereign Bodies and Civil Society was fundamental to achieving a turning point, which is reflected in our motto launched in 2009, on the 10th anniversary of the Referendum: “Goodbye Conflict, Welcome Development”. And so, we put an end to the cycle of crisis that are common in fragile and post-conflict countries.

Today we have a strong and participative civil society and a private sector that, although still emerging, is beginning to realise its responsibility in the development of the nation.

If today Timor-Leste is a viable State, in a secure stage of construction and consolidation, we owe it essentially to our people, who are once again taking part in this process with the dignity that they showed during the struggle, with the goal of making our country a peaceful, united and tolerant nation.

And by consolidating these internal factors we have been able to adopt public policies that provide a framework for sustainable development.

We have achieved some success, from one of the highest economic growth rates in the world to progress in human development to an environment of peace and stability and above all in our friendly relations and partnerships that we have with practically all the countries in the world, especially with the countries closest to us in our region, including the Pacific Islands.

The preparation of our Strategic Development Plan, which sets the path for sustainably transforming Timor-Leste from a low income country into a medium-high income country in 20 years, was fundamental to this success.

This Plan gives voice to our women, our youth and our elders; this Plan gives voice to our farmers, our health professionals, our business people and our teachers; this Plan gives voice to consumers, to people who are ill and to students; this Plan gives voice not only to those who live in the capital Dili, but also to those who live in the most remote villages.

This Plan, ladies and gentlemen, reflects the vision of our people and the political will of Timorese leaders, and makes us understand that promoting a “green economy” means promoting sustainable development.

We decided to harness the great economic potential that we have, thanks to our petroleum wealth and our geographic location, to invest in productive sectors –

infrastructure, education, health, agriculture and tourism – with the aim to transform an economy that is much too dependent on oil to a non-oil dependent economy.

The main goals of this strategy are to generate more wealth, create more employment and increase business activity with a consequent increase in commercial and industrial activities.

For us, economic growth can only be considered a favourable indicator of national development if it observes two key principles: inclusiveness and equity.

These principles are the core of the new investment paradigm for Timor-Leste. We need to grow but we want to grow in the right way, by distributing the dividends of this growth across the entire population and throughout the country. We also want to preserve the things that distinguish us: our own culture and our untouched landscape.

Our privileged economic and trade partners are those that share this strategic vision, which belongs not just to the Government but also to all the Timorese people.

Your Excellencies
Ladies and Gentlemen,

In Timor-Leste, as well as in the Pacific Islands, we can find a combination of the best that nature has to offer.

We share the same conviction that the Timorese, and all peoples of the Pacific, will know how to take advantage in a peculiar way of their precarious resources transforming them into major achievements. And because of this, we can achieve our dreams of building sustainable industries for selling our products in local and international markets.

We have tropical forests, stunning mountains and idyllic beaches. We have in the depths of our seas our wealth of corals and other maritime fauna, with incredible biodiversity.

Our tourism will have to be developed alongside other sectors, such as agriculture, rural and infrastructure development, under an integrated plan that will contribute to the sustainable development of the population.

In the near future we will be investing in better mechanisms of disaster risk management through acquiring early warning systems that will enable us to anticipate threats in order to be better prepared to respond. In addition to this, we know that preparation for natural disasters demands a great effort to mitigate our vulnerabilities.

The challenge is enormous: the poverty of our peoples instils in our minds an urgent need for growth. However, we are aware that this growth cannot be achieved by compromising the means future generations need to survive.

Our forests are a tremendously valuable asset that could provide us with easy and immediate wealth, but we are committed to protecting them since otherwise we would have less resilience in the face of natural disasters. In this way, we are preparing, for the coming years, to be able to plant a million trees per year.

We also want to preserve native fauna and flora species, because in this difference resides the speciality of products that we will want to benefit from.

We are focusing on the modernisation of our traditional sectors, such as agriculture and fisheries, but in a considered and sustainable manner, because we are well aware that nature provides us with finite resources that are essential to our daily survival.

We cannot postpone protecting our water resources and our soils just because we want (or need) to obtain immediate income, as this would lead us to depleting those important sources.

Mother nature has its own cycles, which we must respect, as guests on this planet. Safeguarding them today means ensuring a sustainable and lasting economy.

The great potential of ecotourism will be explored with the involvement of our communities who will act in conformity with patrimonial, environmental and cultural preservation objectives, while instilling a modern and innovative approach to our economy.

We are aware that it is the private sector that must drive our economies, which means that States need to stimulate and create the necessary conditions for facilitating investment and enhancing the business environment, allowing goods to be produced that can be traded and exported in a sustainable manner.

At this moment in Timor-Leste the priorities for the Government are the creation of an Investment Agency, the establishment of a Development Bank, legal reforms and the establishment of an efficient legal framework of rights to property and land as well as labour laws.

Additionally, we have started a decentralisation process, seeking to provide greater budgetary balance for the regions, through the equitable distribution of projects and services throughout the territory and through gradual administrative decentralisation, as a mean of stimulating local entrepreneurship with the participation and initiative to take decisions by the communities.

In this new paradigm of sustainable development action and combating poverty, we also want to promote the establishment of Special Economic Zones, making use of land areas that are perfectly harmonised with the vastness of the ocean which encircles them.

The Democratic Republic of Timor-Leste is a half island with an enclave in the other half that belongs to Indonesia. We will seriously invest in that enclave where there will be established a Special Social and Economic Market Zone because this will have a social reach more focussed to the sustainable fight against poverty. For its study and preparation, the Leader of the Opposition, Dr Mari Alkatiri, was appointed the Representative of the State who will also later supervise the implementation of the program and the possibilities of its application to other parts of the national territory.

When conducting a sustained fight against poverty, we know that an integrated approach, where everyone wins, is more likely to succeed.

Under this new paradigm we recognise the potential of a joint approach for an integrated sub-regional development plan. The area covers Timor-Leste and the neighbouring provinces of Indonesia and also with the Northern Territory of Australia.

In the economic area the following sectors are covered: 1 – business development that will extend from agriculture, fisheries, manufacturing, energy and natural resources; 2 – technology; 3 – infrastructure; 4 – management; 5 – tourism and 6 – knowledge through research and development. In the social area, we will have: 1 – cultural and social exchange; 2 – health; 3 – education and culture and 4 – sports. We are in the preparation stage to establish a Joint Tri-lateral Commission to study and approve the Objectives, Strategies and Action Plans.

In this plan, we intend to protect our natural habitat, preserving our maritime and land biodiversity, preventing illegal fishing and the destruction of our maritime resources. We also intend to exercise effective control over pollution and the impact of climate changes, while investing in alternative and renewable energy projects to safeguard our energy needs.

Today the entire world is paying attention to climate change; however its consequences have never been as evident, as dramatic and as life changing as they are in our region!

Your Excellencies

Ladies and Gentlemen,

Our countries are subjected to increasingly unexpected, even random threats, requiring greater adaptation capacity and a joint response, through dialogue, tolerance and mutual understanding between nations, with an imperative to respect the specific needs of each country and their peoples.

The imminent global challenges in this century are increasingly diverse with the Pacific Islands being particularly vulnerable, as we all know, to climate change as well as to challenges resulting from security in the areas of energy, food and humanity's most precious resource: water.

The economic region of the Pacific Islands has great potential to overcome the difficult obstacles to which it is exposed if every country works together under an integrated plan, with new synergies and strategic partnerships.

I think that by now we all know that our voices will not be heard if we are speaking alone.

It is not with isolated efforts that we will be able to overcome the fact that Kiribati, the Marshall Islands and Tuvalu faces from the permanent and irreversible threat of drowning into the vastness of the ocean. The developed countries, which are the ones that contribute the most to climate change, must by moral obligation think of a plan of financial compensation to enable these countries to safeguard the dignity of their States and their peoples.

And it was the developed economies that caused the great global financial crisis which does not give us much hope that the post-2015 Development Agenda will be achievable in the medium term. And these highly developed countries allowed, in their own nations, very serious social and economic problems being created throwing millions into unemployment and making them fearful for their future, as can be seen, for example, throughout Europe.

We need to change the global macroeconomic policy model that is too rigid and of little use, and that only benefits the wealthy countries to the detriment of the poor.

In this topsy-turvy world, global priorities are still muddled. International policies should focus on **human beings** as an end - rather than as a mean to achieve less dignified goals.

As we know, Timor-Leste is considered by the international community as one of the forty-nine countries that the United Nations calls the "Least Developed Countries".

We are also considered by the World Bank as one of thirty "Fragile States".

Seeking to understand what has been failing, despite millions of dollars from citizens of the world spent on international assistance, as well as the reason for so much fragility in a world that is globalised and that features enormous technological advances, we have decided to join together with seventeen other countries, including the Solomon Islands and Papua New Guinea, in establishing the 'g7+', which advocates a '**New Deal**' in terms of our relationship with our development partners.

This 'New Deal' requires internal changes in every country. We have been monitoring, reporting and calling attention to the specific challenges faced by fragile States, which up until now did not have the ability to speak loud enough to be heard.

It was in this process of raising our voices that we came to understand the need for a new development paradigm, in which we will play a key part. This paradigm includes correcting the mechanisms used for dealing with poor and weak countries.

Despite the efforts by the international community, the United Nations, the World Bank, the IMF and the OECD, which have been at the forefront of the fight against poverty, the results have left much to be desired, particularly on the African continent.

We must now ask: what is wrong in all of this?

Every year, millions and millions of dollars have been invested but a great part of the world population remains without food, shelter, education, safety or dignity. There are around 1.5 billion – the people living in this situation of extreme poverty!

This leads us to wonder if internal instability in some countries is not intentionally created to protect interests that are not of the peoples of these countries.

This is why the “g7+” nations have been working together to make sure that the post-2015 development agenda provides an actual response to their needs in terms of peace and stability and views the perspectives of fragile States as being vital to the overall global dialogue.

More than it being an ethical imperative, changing the paradigm of international intervention is a strategic imperative! Countries receiving assistance must have ownership over the development policies being applied within their territories, otherwise we will forever be “putting on some shoes that are either too big or too small for our underdeveloped feet”.

Now, the timing is right because there is a dialogue being completed regarding the drafting of the post-2015 development agenda, which will cover the period after the MDGs. The Minister of Finance of Timor-Leste, Emilia Pires, is a member of the High Level Panel that has advised the Secretary General of the United Nations on this.

In order to help change these mechanisms, last February Timor-Leste received in Dili leaders from countries throughout the world, including the Asia-Pacific and Africa, for an International Conference on the Post-2015 Development Agenda, the largest international conference ever held in Timor-Leste.

I want to take this opportunity to thank the Minister of Foreign Affairs of Fiji, Mr. Ratu Inoke Kubuabola, the President of Kiribati, the Prime Minister of the Solomon Islands and other high level dignitaries of the Pacific, for attending this conference that managed to bring together the concerns of countries from the g7+, the Pacific and the Portuguese-speaking African countries (PALOPs).

In the joint document, the “Dili Consensus”, we agreed on our priorities and hopes for the post-2015 development agenda and we have lobbied for an agenda that is more

credible, more accountable and more realistic in terms of developing our peoples.

This document also reflects the specific needs of the States of the Pacific where we agreed that the countries that have contributed the most to climate change have to be more involved in its solution including a Marshall Plan for the mitigation, adaptation and reduction of disaster risks.

We have also agreed that, while our specific priorities and needs vary from country to country, we all want the same thing, which is to improve the living standards of our people and to achieve greater human safety.

As such, the post-2015 development framework should guarantee a social contract, promoting integrated actions in four key areas: inclusive economic growth, peacebuilding and Statebuilding, climate change and environmental management.

I am happy to share with you that our participation on this high level panel enabled us to have these recommendations reflected in the final report.

This is important progress in our efforts to be heard on the global stage and it has important implications for the Pacific region, which may also use its influence on the forums they attend, particularly Fiji as the chair of the **G77**.

We must be the agents of our own change, since it is we who will be the main winners, or losers, in this process.

Last April, Timor-Leste had the honour of assuming the Presidency of the 69th Session of the United Nations Economic and Social Commission for Asia and the Pacific.

As such, I am privileged to be presiding over this session throughout the year and to be working with ESCAP and with the nations of the Asia-Pacific to achieve progress and improve human development. This is another reason Timor-Leste's presence here today is extremely opportune because listening and feeling *in loco* to the needs and aspirations of your peoples are, undoubtedly, more valuable than reading thousands of pages of paper printed in reports – which, after all, do not contribute much towards a “green economy”!

Your Excellencies
Ladies and Gentlemen,

We need to ensure ownership over the development process. More than development for all, it is time to talk about development by all.

Pacific Islands have special importance in terms of the “green and blue economy”, since they own the world's largest ocean.

This entails enormous economic and commercial potential, but also great responsibility,

since protecting the oceans is vital for the wellbeing of the peoples of the Pacific and for all of humanity.

I believe that the large ocean Island States should receive international recognition and greater support, both for protecting this world heritage and for overcoming the specific challenges they face and their vulnerabilities.

If today the role of the forest is well known and advocated in the international arena, then the same must be true of the oceans, particularly the Pacific Ocean, which is a living deposit of biodiversity and a lung for our planet. It is important that the Pacific Ocean benefits from a strengthened protection mechanism and from an awareness-raising strategy that changes the global agenda in an effective and substantial manner.

The defence of a “green economy” will always be limited if we focus entirely on land and forget the greater area that are the oceans.

The countries in our region are in the frontline to lead this debate, both due to necessity and strategy. This debate must be coordinated and integrated, so that we may have strategic cooperation to ensure better living conditions for our peoples. After all, they are the curators of this enormous heritage of humanity.

Alone we are a drop in the ocean, together we have the power to set a sustainable future for our natural resources, our economies and our peoples.

Thank you very much.

5 August 2013

Kay Rala Xanana Gusmão